



State of Wisconsin
Department of Administration

**Managing Underpayments and
Overpayments
Job Aid**

Version 1.0

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PURPOSE AND DESCRIPTION

Purpose

This document explains the key activities involved in managing underpayments and overpayments in accounts receivable. It provides an overview of the sub-processes involved, as well as step-by-step procedural guide to perform the activity.

Description

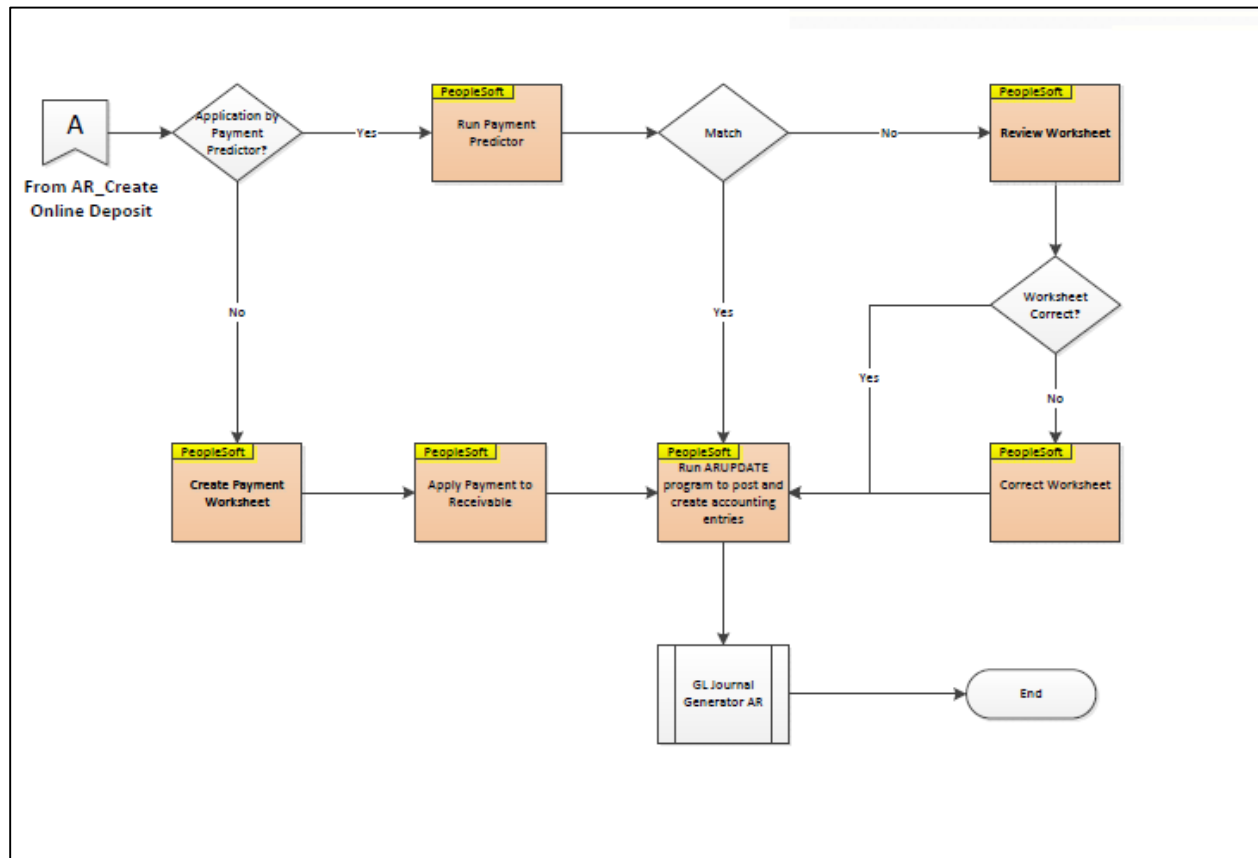
The key activities involved in the managing of underpayments and overpayments process are:

- Activity 1: Managing Underpayments
- Activity 2: Managing Overpayments

ACTIVITY 1: MANAGING UNDERPAYMENTS

Process Flow

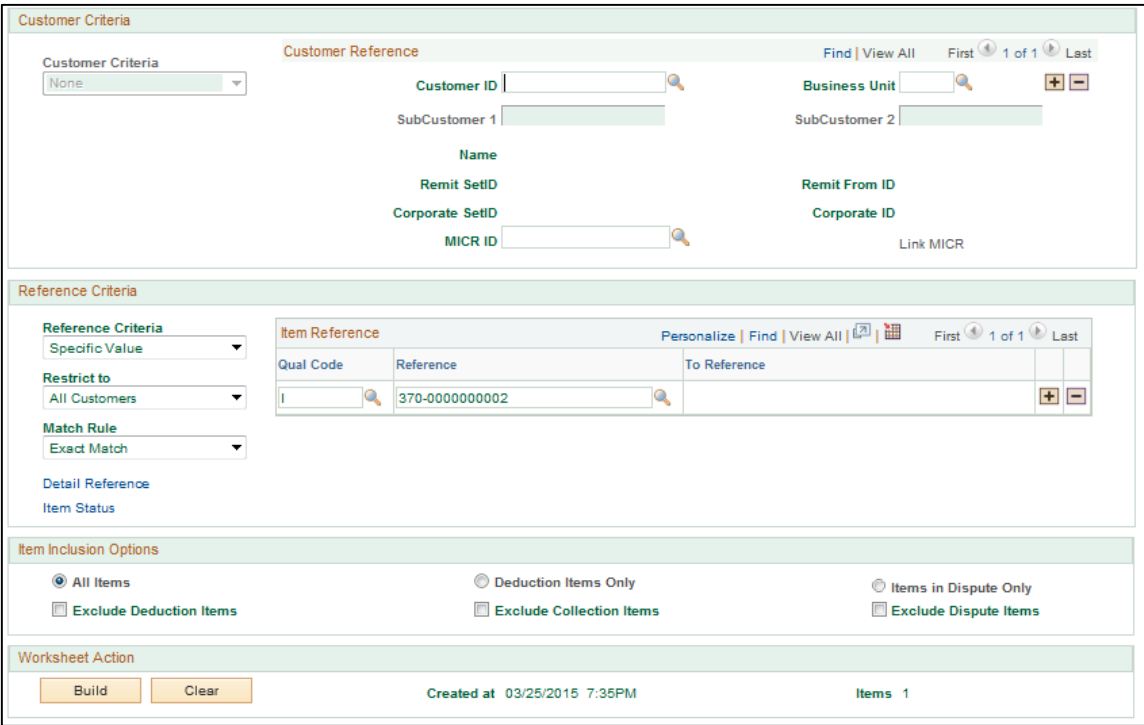
Given below is the business process flow for applying payments to open items. This process flow will help you understand the system-generated actions as well as the tasks that are performed manually.






Managing Underpayments Procedure Steps

Scenario: An invoice pending processing has an open item amount greater than the payment amount. You can manually overwrite the open balance with the actual payment. Follow the steps explained below.

Step	Action
1.	Navigate to Accounts Receivable > Payments > Apply Payments > Create Worksheet
2.	Enter Deposit Unit and Deposit ID . Click Search .
3.	<p>Verify All Items is checked in Item Inclusion Options. Scroll to the bottom of the page and click Build.</p>  <p>The screenshot displays the 'Create Worksheet' interface. It includes sections for 'Customer Criteria' (with a dropdown set to 'None'), 'Customer Reference' (with fields for Customer ID, SubCustomer 1, SubCustomer 2, Name, Remit SetID, Corporate SetID, MICR ID, Business Unit, Remit From ID, Corporate ID, and a Link MICR button), 'Reference Criteria' (with a dropdown set to 'Specific Value', 'Restrict to' set to 'All Customers', and 'Match Rule' set to 'Exact Match'), 'Item Reference' (with a table showing Qual Code, Reference, and To Reference), and 'Item Inclusion Options' (with radio buttons for 'All Items', 'Deduction Items Only', and 'Items in Dispute Only', and checkboxes for 'Exclude Deduction Items', 'Exclude Collection Items', and 'Exclude Dispute Items'). At the bottom, there is a 'Worksheet Action' section with 'Build' and 'Clear' buttons, and a status bar showing 'Created at 03/25/2015 7:35PM' and 'Items 1'.</p>
4.	Verify the Item ID referenced in the Deposit is checked, and has an open item amount greater than the payment amount. Manually overwrite the open balance amount (the Pay Amt column) of the selected receivable with the actual payment amount. Click Refresh .



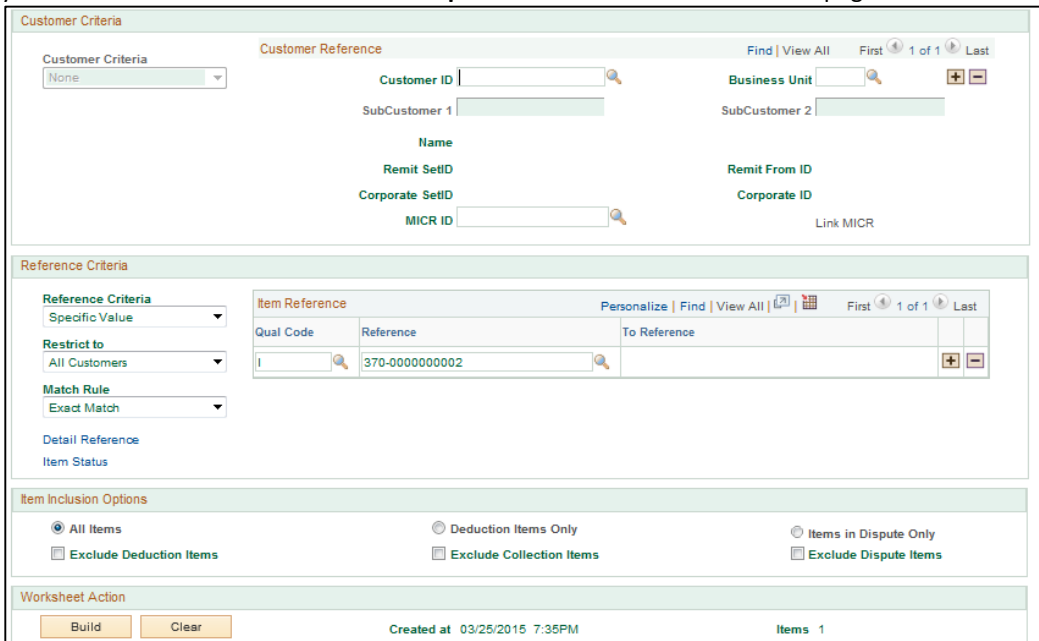
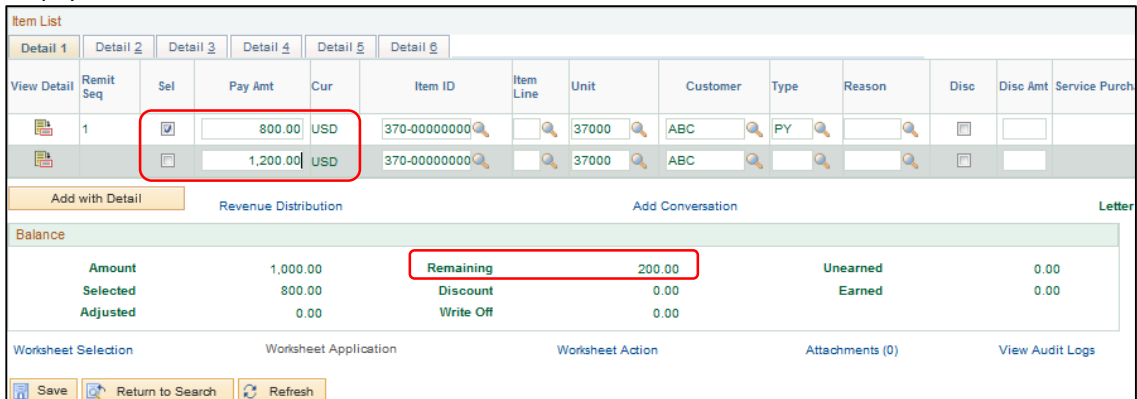
	<p>Payment Worksheet Application</p> <p>Deposit Unit 37000 Deposit ID 1 Payment ID MYFIRSTPYMNT Payment Sequence 1</p> <p>Payment Accounting Date 01/15/2015 Payment Currency USD</p> <p>Item Action Entry Type: Pay An Item Reason: </p> <p>Row Selection Choice: Select Range of Items Range: Go</p> <p>Item Display Control Display: All Items Go</p> <p>Row Sorting Sort All By: Item Go</p> <p>Item List</p> <table border="1"> <thead> <tr> <th>Detail 1</th> <th>Detail 2</th> <th>Detail 3</th> <th>Detail 4</th> <th>Detail 5</th> <th>Detail 6</th> </tr> </thead> <tbody> <tr> <td>View Detail</td> <td>Remit Seq</td> <td>Sel</td> <td>Pay Amt</td> <td>Cur</td> <td>Item ID</td> <td>Item Line</td> <td>Unit</td> <td>Customer</td> <td>Type</td> <td>Reason</td> <td>Disc</td> <td>Disc Amt</td> <td>Service</td> </tr> <tr> <td></td> <td>1</td> <td><input checked="" type="checkbox"/></td> <td>2,000.00</td> <td>USD</td> <td>370-00000000</td> <td></td> <td>37000</td> <td>ABC</td> <td>PY</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Balance</p> <table border="1"> <thead> <tr> <th>Amount</th> <th>1,000.00</th> <th>Remaining</th> <th>-1,000.00</th> <th>Unearned</th> <th>0.00</th> </tr> </thead> <tbody> <tr> <td>Selected</td> <td>2,000.00</td> <td>Discount</td> <td>0.00</td> <td>Earned</td> <td>0.00</td> </tr> <tr> <td>Adjusted</td> <td>0.00</td> <td>Write Off</td> <td>0.00</td> <td></td> <td></td> </tr> </tbody> </table> <p>Worksheet Selection Worksheet Application Worksheet Action Attachments (0) View Audit Logs</p> <p>Save Return to Search Refresh</p>	Detail 1	Detail 2	Detail 3	Detail 4	Detail 5	Detail 6	View Detail	Remit Seq	Sel	Pay Amt	Cur	Item ID	Item Line	Unit	Customer	Type	Reason	Disc	Disc Amt	Service		1	<input checked="" type="checkbox"/>	2,000.00	USD	370-00000000		37000	ABC	PY					Amount	1,000.00	Remaining	-1,000.00	Unearned	0.00	Selected	2,000.00	Discount	0.00	Earned	0.00	Adjusted	0.00	Write Off	0.00																
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5.	<p>A new item line, with the same receivable ID is created for the remaining item balance that is not yet paid. Under the Balance section, the Remaining amount on the Worksheet is zero. Click Save.</p> <p>Item List</p> <table border="1"> <thead> <tr> <th>Detail 1</th> <th>Detail 2</th> <th>Detail 3</th> <th>Detail 4</th> <th>Detail 5</th> <th>Detail 6</th> </tr> </thead> <tbody> <tr> <td>View Detail</td> <td>Remit Seq</td> <td>Sel</td> <td>Pay Amt</td> <td>Cur</td> <td>Item ID</td> <td>Item Line</td> <td>Unit</td> <td>Customer</td> <td>Type</td> <td>Reason</td> <td>Disc</td> <td>Disc Amt</td> <td>Service</td> </tr> <tr> <td></td> <td>1</td> <td><input checked="" type="checkbox"/></td> <td>1,000.00</td> <td>USD</td> <td>370-00000000</td> <td></td> <td>37000</td> <td>ABC</td> <td>PY</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><input type="checkbox"/></td> <td>1,000.00</td> <td>USD</td> <td>370-00000000</td> <td></td> <td>37000</td> <td>ABC</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Balance</p> <table border="1"> <thead> <tr> <th>Amount</th> <th>1,000.00</th> <th>Remaining</th> <th>0.00</th> <th>Unearned</th> <th></th> </tr> </thead> <tbody> <tr> <td>Selected</td> <td>1,000.00</td> <td>Discount</td> <td>0.00</td> <td>Earned</td> <td></td> </tr> <tr> <td>Adjusted</td> <td>0.00</td> <td>Write Off</td> <td>0.00</td> <td></td> <td></td> </tr> </tbody> </table> <p>Worksheet Selection Worksheet Application Worksheet Action Attachments (0)</p>	Detail 1	Detail 2	Detail 3	Detail 4	Detail 5	Detail 6	View Detail	Remit Seq	Sel	Pay Amt	Cur	Item ID	Item Line	Unit	Customer	Type	Reason	Disc	Disc Amt	Service		1	<input checked="" type="checkbox"/>	1,000.00	USD	370-00000000		37000	ABC	PY							<input type="checkbox"/>	1,000.00	USD	370-00000000		37000	ABC						Amount	1,000.00	Remaining	0.00	Unearned		Selected	1,000.00	Discount	0.00	Earned		Adjusted	0.00	Write Off	0.00		
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8.	<p>In the Payment Worksheet Action page, select next actions.</p> <p>For the Posting Action section – select appropriate posting action from drop-down selection. Select Batch Standard.</p>																																																																		

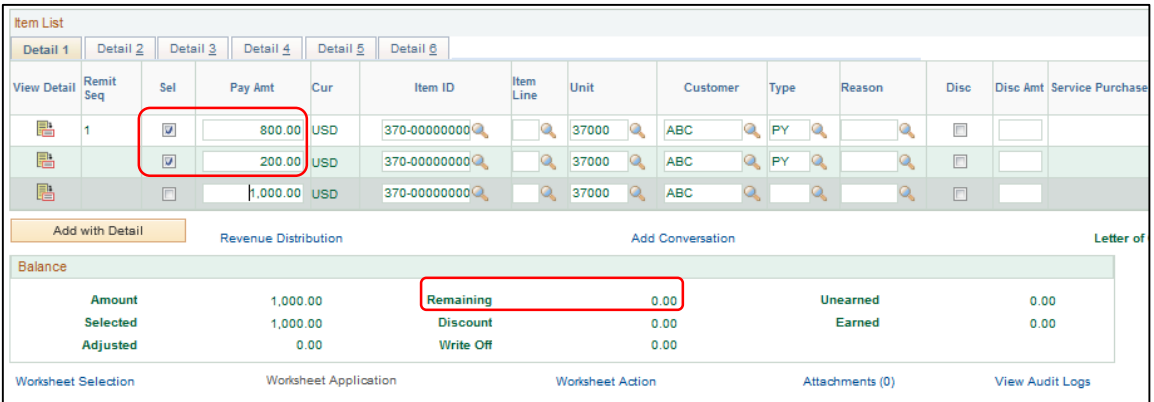
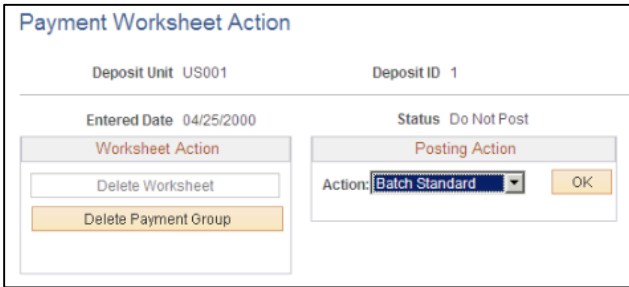

	<div data-bbox="558 243 1187 527"> <p>Payment Worksheet Action</p> <p>Deposit Unit: US001 Deposit ID: 1</p> <hr/> <p>Entered Date: 04/25/2000 Status: Do Not Post</p> <div> <div> <p>Worksheet Action</p> <p>Delete Worksheet</p> <p>Delete Payment Group</p> </div> <div> <p>Posting Action</p> <p>Action: Batch Standard OK</p> </div> </div> </div> <div data-bbox="315 533 380 590">  </div> <p>The Batch Standard action will queue the worksheet to be posted on next scheduled job batch run</p>
9.	You have processed an underpayment.

ACTIVITY 2: MANAGING OVERPAYMENTS

Managing Overpayments Procedure Steps

Scenario: An invoice pending processing has an open item amount less than the payment amount. Follow the steps explained below to correct invoice.

Step	Action
1.	Navigate to Accounts Receivable > Payments > Apply Payments > Create Worksheet
2.	Enter Deposit Unit and Deposit ID . Click Search .
3.	<p>Verify All Items is checked in Item Inclusion Options. Scroll to the bottom of the page and click Build.</p> 
4.	<p>Verify/select the Item ID referenced in the Deposit is checked, and has an open item amount less than the payment amount.</p> 

5.	<p>In the example below, the invoice already had multiple bill lines. If this is the case, override the amount on the existing and selected items and adjust to equal the payment amount.</p> <p>If there is only a single line item: create an item that has a remaining balance less than or equal to the remaining deposit payment to be applied. Ensure that the checkbox is selected. If necessary, create multiple items. Click Refresh. The remaining amount should be zero. Click Save.</p> 
6.	Navigate to Accounts Receivable > Payments > Apply Payments > Finalize Worksheet
7.	<p>Enter desired Search Criteria, such as:</p> <ul style="list-style-type: none"> • Deposit Unit • Deposit ID <p>Click Search.</p>
8.	<p>In the Payment Worksheet Action page, select next actions.</p> <p>Posting Action section – select appropriate posting action from drop-down selection. Select Batch Standard.</p>  <p> The Batch Standard action will queue the worksheet to be posted on next scheduled job batch run</p>
9.	You have processed an overpayment.